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Uzbekistan, Republic of

Cotton and Products

Cotton Quarterly Update

2007

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Report Highlights:

Barring heavy rains at harvest, Uzbekistan's 2007 cotton crop is forecast at 5.32 million bales, virtually unchanged from last year's harvest. Crop conditions are very good. As domestic consumption is increasing, MY2007/08 exports are forecast to fall to 4.0 million bales, down half a million bales from MY2006/07. Uzbekistan is now exporting to a wider range of countries.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Quarterly Report
Ankara [TU1]
[UZ]

PRODUCTION

Assuming normal weather conditions and minimal pest infestations, Uzbekistan's MY 2007/08 cotton crop is forecast at 5.32 million bales and the planted area is estimated at 1.4 million hectares. In spite of rainy weather in early spring which caused late planting throughout the country, the crop is reportedly progressing well under optimum growing conditions and in most regions there have been no major pest outbreaks.

Independent industry representatives expect a good quality new crop as long as there is no significant precipitation during the mid autumn harvest.

MY 2006/07 Production Estimates Revised

Based on the latest official estimates from the Ministry of Agriculture, MY 2006/07 seed cotton production is revised to 3.67 MMT and the lint production is revised to 5.467 million bales, respectively.

New Domestic Prices Expected To Rise Slightly

Domestic cotton prices for the new crop will be set up as usual in the beginning of September just before the harvest. MY06/07 average procurement price for seed cotton (based on grade 2 class 5) equaled Sums 306,000 per ton, and the average wholesale price for lint procured for state needs was reportedly Sums 1.35 million. MY07/08 cotton procurement prices both for seed cotton and lint are expected to rise at least to 10-15 percent than in the last year.

(The current official exchange rate – Sums 1271 = USD 1.00)

CONSUMPTION

MY 2007/08 domestic consumption is forecast to increase to 1.15 million bales. The growth in consumption will be fueled by expected high prices for man-made fiber and yarn, and continued expansion in domestic spinning capacity. Industry sources report that by the end of 2007, 20 more new textile mills are planned to be opened with a total investment portfolio of USD110 million. As a result of opening these new textile mills cotton yarn production is forecast to rise by 50,000 tons, stockinet by 18,000 tons, fabrics by 5.5 million square meters, and knitted products by 7.7 million pieces.

TRADE

In MY2007/08 Uzbekistan's cotton exports are forecast to decrease to 4.0 million bales compared to 4.5 million bales in MY2006/07. On September 10-12, 2007, the Third International Uzbek Cotton Fair will be held in Tashkent, where as in past years the considerable number of traders from various countries will participate. In general, Russia remains the traditional buyer, although since 2005 China has become one of the leading import markets for Uzbek cotton exports. Bangladesh has also become a promising market for Uzbek cotton exports which reached 688,000 bales in FY2005/06.

STATISTICAL TABLES

Table 1: Cotton Production, Supply and Demand

Uzbekistan, Republic of Cotton										
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimat	Post Estimate New	USDA Official	Post Estimat	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Yr Begin		08/2005	08/2005		08/2006	08/2006		08/2007	08/2007	MM/YYYY
Area Planted	0	1391	1450	0	1391	1391	0	0	1400	(HECTARES)
Area Harvested	1432	1391	1432	1424	1424	1430	1450	1450	1430	(HECTARES)
Beginning Stocks	1298	703	1298	1248	1248	1248	1248	1248	1315	1000 480 lb. Bales
Production	5550	5512	5550	5400	5400	5467	5400	5400	5320	1000 480 lb. Bales
Imports	0	0	0	0	0	0	0	0	0	1000 480 lb. Bales
MY Imports U.S.	0	0	0	0	0	0	0	0	0	1000 480 lb. Bales
Total Supply	6848	6215	6848	6648	6648	6715	6648	6648	6635	1000 480 lb. Bales
Exports	4800	4042	4800	4650	4650	4500	4700	4700	4000	1000 480 lb. Bales
Use	800	1148	800	750	750	900	725	725	1150	1000 480 lb. Bales
Loss	0	0	0	0	0	0	0	0	0	1000 480 lb. Bales
Total Dom. Cons.	800	1148	800	750	750	900	725	725	1150	1000 480 lb. Bales
Ending Stocks	1248	1025	1248	1248	1248	1315	1223	1223	1485	1000 480 lb. Bales
Total Distribution	6848	6215	6848	6648	6648	6715	6648	6648	6635	1000 480 lb. Bales
Stock to Use %	22	20	22	23	23	24	22.5	22.5	28.8	(PERCENT)
Yield	844	863	844	826	826	832	811	811	810	(KG/HA)